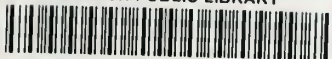


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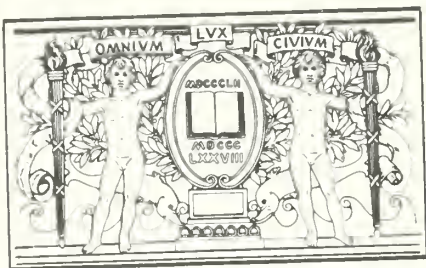
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BUDGET PROCEDURE IN BOSTON AND OTHER CITIES

Working Material Prepared for Special Commission

Appointed by Legislative Resolve of 1939

Boston Municipal Research Bureau
One Court Street,
Boston, Mass.

October 31, 1939

BOSTON MUNICIPAL RESEARCH BUREAU
One Court Street,
Boston, Mass.

October 31, 1939

Special Commission to Study
Boston Budget and Appropriating Procedure,

Gentlemen:

To facilitate the work of your Commission I am submitting herewith a collection of useful material now scattered in a variety of records.

Later I shall submit a separate document outlining the changes in Boston's budget and appropriating procedure recommended by this organization.

Very truly yours,

H. C. LOEFFLER,

Secretary

Members of Commission:

Senator Laurence Curtis of Boston, Chairman
Rep. Charles H. Cooke of Athol, Vice-Chairman
Rep. Enrico Cappucci of Boston
Rep. Abraham Zimon of Boston
Theodore N. Waddell, State Director of Accounts
Francis X. Lang, Boston Budget Commissioner
Charles J. Fox, Boston City Auditor
Wilfred J. Doyle, Boston City Clerk
Alexander M. Sullivan, Business Manager, Boston Sch. Comm.

Edgar M. Mills, Secretary

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East Asian Library

BUDGET PROCEDURE IN BOSTON AND OTHER CITIES

Working Material Prepared for Special Commission
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PART I - DEVELOPMENT OF BOSTON'S BUDGET PROCEDURE

Few subjects of city government have enlisted so much thought throughout the Nation as budget procedure. From the viewpoint of the public official, the budget is the chief method of translating policy into practice. For the citizen, the budget opens the way to understanding of the complicated processes of government. To both it is a vital means of control.

Boston's present-day budget procedure is the product of slow change and of a few outstanding developments. Administrative practice and the influence of the budget commissioners are reflected in the aspect of gradual growth. The marked advances have occurred at times of revision of the City's charter and fiscal powers.

To lend perspective and indicate the scope of the problem, the important stages in the development of Boston's budget procedure are reviewed here.

Charter of 1885. Prior to the charter revision of 1885, chaotic conditions existed in city affairs. A system of "committee government" prevailed, wherein committees of the City Council conducted most of the administrative and executive functions. Modern fiscal procedures were as yet unheard of.

Municipal government, as it is known in Boston today, really dates from the charter of 1885. A wide assortment of executive authority passed from the City Council and various scattered agencies to the Mayor, who was designated chief executive officer of the City. The charter contained safeguards against over-spending appropriations. The statutory tax limit entered the picture at the time.

The 1885 charter also provided that heads of departments, and all other officers and boards having authority to spend money, must annually submit estimates of their requirements to the Mayor. In turn, the Mayor was to examine these estimates and submit them with his recommendations to the City Council. Council action was decisive in finally fixing appropriations.

Charter of 1909. Boston's charter of 1909, the instrument under which the City now operates, was the outcome of long study and deliberation. Probably its most significant departure from the 1885 charter was elevation of the mayor to a position of unmistakable authority.

Among other provisions strengthening the Mayor's hand was the budget section stating that all maintenance appropriations were to originate with the Mayor, that the Council could reduce or delete but not increase mayoral allowances, and that the Mayor's veto of Council action in fiscal matters was to be final. It was further provided that the annual budget must be submitted to the Council within 30 days after the beginning of each fiscal year.

The 1909 charter was silent on other phases of budget procedure. In practice departmental estimates were brought under one cover and printed as a city document, but the form of these estimates was seriously at fault. Departmental appropriations, moreover, were made in "lump-sum" fashion - a procedure which impaired control of actual expenditures.

Segregated Budget of 1916. City Council dissatisfaction with prevailing budget practices led to an extensive study by the Boston Finance Commission in 1914. The Commission came forward with a plan for a segregated budget, largely

PART II - BACKGROUND OF SPECIAL BUDGET COMMISSION OF 1939

RESOLVE CREATING THE COMMISSION

Chapter 46, Resolves of 1939. RESOLVE PROVIDING FOR AN INVESTIGATION AND STUDY BY A SPECIAL COMMISSION RELATIVE TO APPROPRIATING AND BUDGET PROCEDURE IN THE CITY OF BOSTON AND THE COUNTY OF SUFFOLK.

Resolved, That a special unpaid commission, to consist of one member of the senate to be designated by the president thereof, three members of the house of representatives to be designated by the speaker thereof, the director of the division of accounts, the budget commissioner of the city of Boston, the auditor and the city clerk of said city, and one person to be appointed by the school committee of said city, is hereby established for the purpose of making an investigation and study of the laws and ordinances, and the rules of the school committee, effective in said city, relative to the budget and appropriating procedure of said city and of the school committee thereof, and in connection therewith the subject matter of current senate document number 510, with a view to determining the advisability of making certain changes in said laws, ordinances and rules so that the city school budgets of said city and the county budget of Suffolk county shall be established and determined so as to be in effect at the beginning of each fiscal year. Any of said officials, if he so elects, may designate an officer or employee in his department to serve in his place on said commission.

Said special commission shall report to the general court the results of its study and its recommendations, if any, together with drafts of legislation necessary to carry such recommendations into effect, by filing the same with the clerk of the house of representatives on or before the 15th day of November in the year 1940.

1939 BUDGET PROPOSALS

Senate Bill No. 510, 1939 Session. AN ACT MAKING CERTAIN CHANGES IN THE APPROPRIATING POWER OF THE CITY OF BOSTON AND THE SCHOOL COMMITTEE OF SAID CITY SO THAT CITY, COUNTY AND SCHOOL BUDGETS SHALL BE IN EFFECT THROUGHOUT EACH FISCAL YEAR.

Section 1. Section 3 of chapter 486 of the acts of 1909, as amended by section 2 of chapter 479 of the acts of 1924, is hereby further amended by striking out the first paragraph of said section 3 and inserting in place thereof the two following new paragraphs:-

Section 3. All appropriations, other than for school purposes, to be met from taxes, revenue, or any source other than loans shall originate with the mayor, who not later than 30 days prior to the close of each fiscal year shall submit to the city council the annual budget of the current expenses of the city and county for the ensuing fiscal year. The city council may reduce or reject any item, but without the approval of the mayor shall not increase any item in, nor the total of a budget, nor add any item thereto, nor shall it originate a budget. Before the close of the fiscal year the city council shall adopt a budget and shall finally enact such orders as may be required to make the appropriations for the ensuing fiscal year legally effective. It shall be the duty of the city and county officials, when requested by the mayor, to submit forthwith in such detail as he may require, estimates for the next fiscal year of the expenditures of the department or office under their charge, which estimates shall be transmitted to the city council, 30 days prior to the close of each fiscal year.

Until the tax rate for the year shall have been fixed, the mayor may submit supplementary budgets to meet emergencies involving the health or security of the people or their property and the city council, subject to the limitations set forth in this section relating to the annual budget, may adopt said supplementary budgets and enact such orders as may be required to make the appropriations therefor legally effective.

Section 2. Said chapter 486 is hereby further amended by inserting after section 3 the following new sections:-

Section 3A. In 1942 and in each fourth year thereafter the mayor may not later than 45 days after the beginning of the fiscal year submit to the city council a revision of the appropriations for said year as adopted during the preceding fiscal year, and in making such revision the mayor may increase, decrease, or reject any appropriation item. The city council may reduce or reject any item as so revised, but without the approval of the mayor shall not increase any item in, or add to the total of the appropriations as so revised, nor shall it originate an appropriation, provided, however, that if the city council does not act within 20 days the revised appropriations shall be held to be accepted.

Section 3B. If at the termination of any fiscal year, the appropriations necessary for the support of the city and county governments for the ensuing fiscal year shall not have been made, the annual budget as submitted by the mayor to the city council shall be held to be the appropriations for said ensuing fiscal year.

Section 3C. If 30 days before the termination of any fiscal year, the mayor for any reason shall have failed to submit to the city council the annual budget of the current expenses of the city and county for the ensuing fiscal year, the appropriations of the preceding fiscal year for current expenses shall be held to be the annual budget submitted by the mayor to the city council.

Section 3. Section 6 of chapter 266 of the acts of 1885, as amended by section 1 of chapter 320 of the acts of 1889, is hereby further amended by striking out the second paragraph.

Section 4. At the beginning of the fiscal year, to meet the liabilities of the school committee incurred in carrying on its work, expenditures may be made, liabilities may be incurred and payments made from the treasury from any funds therein, and the treasurer may borrow money in anticipation of taxes to provide such funds. Such expenditures and liabilities shall not exceed one-third the amount appropriated in the previous year for each of the purposes designated in paragraphs (a), (b) and (c) of section 2 of chapter 224 of the acts of 1936 and shall be considered and reckoned as a part of the expenditures of, and the money paid therefor as a part of the appropriations for the current fiscal year.

Section 5. This act shall take effect upon its passage.

House Bill No. 1254, 1939 Session (Introduced by Henry L. Shattuck.) The above Senate Bill No. 510, is identical with House No. 1254 as originally filed, except that the second paragraph of section 1 was added to permit supplementary budgets, and new section 4 replaced the following old section 4, thereby removing school budget procedure from the scope of the bill.

Section 4. Section 3 of chapter 224 of the acts of 1936 is hereby amended by striking out the words "May first" in the second paragraph and inserting in

place thereof the words:- January first, - and by adding a new third paragraph, so as to read as follows:- Section 3. The votes of the school committee of said city making appropriations as aforesaid shall have the same force and effect as orders or votes of the city council thereof appropriating money, and shall be subject to the same provisions of law in respect to approval by the mayor, except that a vote of four-fifths of all the members of the school committee, taken by yeas and nays, shall be necessary to pass such appropriations over the veto of the mayor.

All appropriations to be raised by taxation made by the school committee of said city shall be certified by said committee to the board of assessors thereof not later than January first in each year and the assessors shall include the same in the levy of that year.

If after January first of any fiscal year the school committee shall not have so certified all appropriations to be raised by taxation, the board of assessors shall include in the levy of that year all appropriations so certified by said committee in the preceding fiscal year.

PART III - PROVISIONS RELATIVE TO CITY AND COUNTY BUDGET

CITY CHARTER (CHAPTER 486, ACTS OF 1909, AS AMENDED)

Section 3. All appropriations, other than for school purposes, to be met from taxes, revenue, or any source other than loans shall originate with the mayor, who within 30 days after the beginning of the fiscal year shall submit to the city council the annual budget of the current expenses of the city and county, and may submit thereafter supplementary budgets until such time as the tax rate for the year shall have been fixed. The city council may reduce or reject any item, but without the approval of the mayor shall not increase any item in, nor the total of a budget, nor add any item thereto, nor shall it originate a budget. It shall be the duty of the city and county officials, when requested by the mayor, to submit forthwith in such detail as he may require estimates for the next fiscal year of the expenditures of the department or office under their charge, which estimates shall be transmitted to the city council....

Section 4. Every appropriation, ordinance, order, resolution and vote of the city council, except votes relating to its own internal affairs, shall be presented to the mayor, who shall make or cause to be made a written record of the time and place of presentation, and it shall be in force if he approves the same within 15 days after it shall have been presented to him, or if the same is not returned by him with his objections thereto in writing within said period of 15 days. If within said period said appropriation, ordinance, order, resolution, or vote is returned by the mayor to the city council by filing the same with the city clerk with his objections thereto the same shall be void. If the same involves the expenditure of money, the mayor may approve some of the items in whole or in part and disapprove other of the items in whole or in part; and such items or parts of items as he approves shall be in force, and such items or parts of items as he disapproves shall be void.

Section 16. No official of said city, except in case of extreme emergency involving the health or safety of the people or their property, shall expend intentionally in any fiscal year any sum in excess of the appropriations duly made in accordance with law, nor involve the city in any contract for the future payment of money in excess of such appropriation, except as provided in section 6 of this

act. Any official who shall violate the provisions of this section shall be punished by imprisonment for not more than one year, or by a fine of not more than one thousand dollars, or both.

Section 33. The fiscal year in said city shall begin on January first and shall end on December 31 next following; and the municipal year shall begin on the first Monday in January and shall continue until the first Monday of the January next following...

SPECIAL ACTS

Chapter 320, Acts of 1889. AN ACT TO AMEND THE CHARTER OF THE CITY OF BOSTON RELATIVE TO THE MAKING OF PAYMENTS AND INCURRING OF LIABILITIES IN ADVANCE OF THE ANNUAL APPROPRIATIONS.

Section 1. Section 6 of chapter 266 of the acts of the year 1885 is hereby amended by adding thereto the following:- Except that at the beginning of the financial year, to meet the liabilities of the several departments incurred in the carrying on of the work entrusted to them, until the city government shall otherwise order, expenditures may be made, liabilities may be incurred and payments made from the treasury from any funds therein, and the treasurer may borrow money in anticipation of taxes to provide funds. Such expenditures and liabilities shall not exceed for each department, one-third the entire amount appropriated for the department the previous year, and shall be considered and reckoned as a part of the expenditures of, and the money paid therefor as a part of the appropriations for the current financial year.

Chapter 75, Acts of 1919. This act refers to budget powers of the trustees for county aid to agriculture in Suffolk County. At present it has no reality, but any revision of Boston's budget laws should take account of its possible amendment or repeal.

CITY ORDINANCES

Chapter 3, Revised Ordinances of 1925. Section 23. Every officer in charge of a department shall annually, on or before the first day of November, send to the mayor an estimate in detail of the appropriations required for such department for the next financial year, and an estimate of the income of such department during said year.

Chapter 9, Revised Ordinances of 1925. Section 1. The budget department shall be under the charge of the budget commissioner, who shall, under the direction of the mayor, prepare in segregated form the annual and all supplementary budgets to be submitted by the mayor to the city council. The commissioner shall further prepare under the direction of the mayor the form of estimate sheets to be used by each officer, board, commission and department, and each division of a department, for which the city appropriates money, and shall also prepare the form of monthly report of such officer, board, commission and department, and each division thereof, showing expenditures to date of all appropriations by item. The commissioner shall report to the mayor on all subsequent revisions of the items in the budget.

PART IV - PROVISIONS RELATIVE TO SCHOOL BUDGET

SPECIAL ACTS

Chapter 224, Acts of 1936. AN ACT RELATIVE TO APPROPRIATIONS FOR SCHOOL

PURPOSES IN THE CITY OF BOSTON AND TO CERTAIN STATUTORY TAX AND SCHOOL APPROPRIATION LIMITS FOR SAID CITY....

Section 1. Section 53 of Part I of chapter 490 of the acts of 1909, as amended, and as affected by section 2 of chapter 267 of the Special Acts of 1916, and all other acts and parts of acts imposing any tax limit in said city, and also so much of chapter 206 of the Special Acts of 1919, as amended, and so much of any other act or acts as imposes any limitation upon the amount of appropriations that may be made by the school committee of said city, are hereby repealed.

Section 2. The school committee of the city of Boston may annually, beginning with the financial year 1936, by vote of four-fifths of all its members, taken by yeas and nays, make appropriations to be raised by taxation as follows:

a. For the construction and furnishing of new school buildings, both temporary and permanent, including the taking of land therefor, and for school yards and the preparing of school yards for use, and for rent of hired school accommodations, a sum which shall not exceed fifty cents on each one thousand dollars of the average of the assessors' valuations for the three preceding years, such valuations being reduced by abatements granted up to December 31 of the preceding year.

b. For the alteration and repair of school buildings and for furniture, fixtures, and means of escape in case of fire, and for fire protection of existing buildings, and for improving existing school yards, a sum which shall not exceed 85 cents on each one thousand dollars of the average of the assessors' valuations for the three preceding years, such valuations being reduced by abatements granted up to December 31 of the preceding year.

c. For all other school purposes, the sum of fifteen million one hundred and sixty thousand dollars.

Unexpended appropriation balances may be reappropriated for their respective purposes; and, in addition to the said sum of fifteen million one hundred and sixty thousand dollars, an amount equal to the money that may be given, and the income collected, for school purposes, as estimated by said committee, may be appropriated for the purposes of paragraph c.

Nothing in this section shall prevent the mayor, on request of the school committee, from recommending and the city council from passing additional appropriations for school purposes.

Section 3. The votes of the school committee of said city making appropriations as aforesaid shall have the same force and effect as orders or votes of the city council thereof appropriating money, and shall be subject to the same provisions of law in respect to approval by the mayor, except that a vote of four-fifths of all the members of the school committee, taken by yeas and nays, shall be necessary to pass such appropriations over the veto of the mayor.

All appropriations to be raised by taxation made by the school committee of said city shall be certified by said committee to the board of assessors thereof not later than May first in each year and the assessors shall include the same in the levy of that year.

Chapter 351, Acts of 1929. AN ACT TO ESTABLISH A BOARD OF COMMISSIONERS OF SCHOOL BUILDINGS AND A DEPARTMENT OF SCHOOL BUILDINGS IN THE CITY OF BOSTON.

Section 7. The school committee of the city of Boston shall submit all proposed budgets and appropriation orders for the construction and furnishing of new school buildings both temporary and permanent, including the taking of land therefor, and for school yards and the preparing of school yards for use, and for the rent of hired school accommodations, and for the alteration and repair of school buildings, and for furniture, fixtures and means of escape in case of fire, and for fire protection for existing buildings, and for improving existing school yards, to the board of (school building) commissioners who shall make written report thereon to the school committee after such examination and investigation as said board of commissioners may desire to make, and no appropriation of money for any of the above-named purposes shall be made by the school committee until such report shall have been made to the school committee by said board of commissioners. All such reports of the board of commissioners shall be incorporated in full in the minutes of the school committee meeting next following the receipt thereof.

SCHOOL COMMITTEE RULES

Rules of the School Committee, Chapter VI (Edition, 1934). Section 109.1. He (the Business Manager) shall annually prepare and submit to the School Committee at the beginning of each financial year, or as soon thereafter as may be practicable, detailed estimates showing the probable cost of the maintenance of the school system for the current financial year based on the conditions existing as of January 1 preceding.

2. He shall annually prepare and submit to the School Committee at the last regular meeting in February, or as soon thereafter as may be practicable, an itemized appropriation order prepared under the instructions of the School Committee to cover the expenses of the school system for the current financial year with the detailed estimates of the probable cost of the several items.

PART V - GENERAL PROVISIONS AFFECTING OTHER MASSACHUSETTS CITIES

Chapter 44, General Laws. Section 31. No department of any city or town, except Boston, shall incur liability in excess of the appropriation made for the use of such department, except in cases of extreme emergency involving the health or safety of persons or property, and then only by a vote in a city of two-thirds of the members of the city council, and in a town by a vote of two-thirds of the selectmen.

Section 32. Within sixty days after the annual organization of the city government, in cities other than Boston not having the commission form of government the mayor, and in such cities having said commission form, the commissioner or director of finance, shall submit to the city council the annual budget of the current expenses of the city, and the mayor or commissioner or director, as the case may be, may submit thereafter supplementary budgets. The budget shall consist of an itemized and detailed statement of the money required, and the city council, by a majority vote, shall make such appropriations in detail, clearly specifying the amount to be expended for each particular purpose; but the budget shall not be in such detail as to fix specific salaries of employees under the direction of boards

elected by the people, other than the city council. The city council may reduce or reject any item, but, without the approval of the mayor or commissioner or director of finance, as the case may be, shall not increase any item in or the total of a budget, nor add any item thereto. In such cities not having the commission form of government, the city officials, when so requested by the mayor, shall submit to him forthwith in such detail as he may require estimates for the next fiscal year of the expenditures of their departments or offices under their charge, which shall be transmitted to the city council. In such cities having the commission form of government each commissioner or director shall, within 30 days after the annual organization of the city government, submit to the commissioner or director of finance estimates in such detail as he may require of the amounts deemed necessary for the current expenses of their respective departments. In all cities other than Boston, if the council fails to approve or disapprove any item in the budget, as submitted by the mayor or commissioner or director of finance, within 60 days after its receipt thereof, such item shall, without any council action, become a part of the budget for the year, and the sum named shall be available for the purpose designated. Nothing in this section shall prevent the mayor or commissioner or director of finance from recommending, and the city council from making, appropriations prior to the adoption of the annual budget.

If, upon the expiration of 60 days after the annual organization of the city government in any year, the mayor or commissioner or director of finance, as the case may be, shall not have submitted to the city council the annual budget for said year, the city council shall forthwith upon its own initiative prepare the annual budget; and in such case the city council shall have the same authority to require estimates of the expenditures of the several departments and offices of the city as is hereinbefore given to the mayor or commissioner or director of finance, as the case may be. As soon as may be after its preparation of the annual budget, the city council shall proceed to act thereon and all amounts voted by it shall be valid appropriations for the purposes stated therein without the approval of the mayor or commissioner or director of finance, as the case may be. (Paragraph added by Chapter 175, Acts of 1938.)

The provisions of this section shall apply, in any city adopting the Plan E form of government under chapter 43, only to the extent provided in section 104 of said chapter. (Paragraph added by Chapter 378, Acts of 1938.)

Section 33. In case of the failure of the mayor or commissioner or director of finance to transmit to the city council a written recommendation for an appropriation for any purpose deemed necessary by the council, after having been so requested by vote thereof, said council, after the expiration of seven days from such vote, upon its own initiative may make an appropriation for such purpose by a vote of at least two-thirds of its members, and shall in all cases make such appropriations in detail, clearly specifying the amount to be expended for each particular purpose, but not in such detail as to fix specific salaries of employees under the direction of boards elected by the people, other than the city council.

Section 33A. The budget shall include sums sufficient to pay the salaries of officials fixed by law or by ordinance, but no new position shall be created or increase in rate made during the financial year subsequent to the submission of the annual budget, unless provision therefor is made by means of a supplemental budget.

Section 34. In the period after the expiration of any fiscal year and before the regular appropriations have been made by the city council, the city

officers who are authorized to make expenditures may incur liabilities in carrying on the work of the several departments intrusted to them, and payments therefor shall be made from the treasury from any available funds therein, and charged against the next annual appropriation; provided, that the liabilities incurred during such interval for regular employees do not exceed in any one month the average monthly expenditures of the last three months of the preceding fiscal year, and that the total liabilities incurred during said interval do not exceed in any one month the sums spent for similar purposes during any one month of the preceding fiscal year; and provided, further, that said officers who are authorized to make expenditures may expend in any one month for any new officer or board lawfully created an amount not exceeding one-twelfth of the estimated cost for the current fiscal year. All interest and debt falling due in said interval shall be paid. (As amended by Chapter 170, Acts of 1938.)

Chapter 59, General Laws. Section 23....If, prior to May 10 in any year, the assessors of any city except Boston shall not have received from the city clerk a certificate under section 15A of chapter 41 of the appropriations voted for the annual budget for said year and if it appears to them, after inquiry of the city clerk, that such appropriations have not been voted, they shall forthwith assess a tax for said year in accordance with the provisions of this section, except that, in determining the amount of the tax to be assessed, there shall be considered as having been appropriated for the annual budget for said year an amount equal to the aggregate appropriations voted for the annual budget for the next preceding year. (Paragraph added by Chapter 176, Acts of 1938.)

PART VI - SECTIONS FROM MODEL BUDGET LAW

The following sections are taken from the Model Budget Law prepared by an outstanding committee of experienced individuals for the National Municipal League; published in July, 1928.

Section 6. Preparation of the budget. At least 60 days prior to the beginning of the fiscal year, all departments, offices, boards, and other spending agencies of each local government shall prepare and submit to the budget-making authority thereof estimates of their expenditure requirements and their estimated revenues for the forthcoming budget year, compared with the corresponding figures of the last completed fiscal year and the estimated figures of the year in progress....

The budget-making authority shall review the estimates, altering, revising, increasing or decreasing the items of said estimates as it shall deem necessary in view of the needs of the various spending agencies and the probable income of the local government. Such authority shall then prepare a budget in the form required by the provisions of section 5 of this act, and it shall transmit this budget to the appropriating body of the local government at least 30 days before the beginning of the fiscal year....

Section 7. Budget hearings. Final action shall not be taken on the proposed budget in any local government until at least one public hearing has been held thereon after 10 days' notice. It shall be the duty of the appropriating body to arrange for and hold such hearing. The budget, when submitted by the budget-making authority to the appropriating body, shall be published, advertised, or otherwise made available for public inspection at least 10 days prior to the date set for the hearing.

Section 8. Adoption of the budget and enactment of the budget bills. The appropriating body shall consider the budget as submitted to it by the budget-making authority of such government. Such body may revise, alter, increase, or decrease the items contained in the budget; provided, however, that when it shall increase the total proposed expenditures of the budget, it shall also increase the total anticipated income, so that the total means of financing the budget shall, at least, equal in amount the aggregate proposed expenditures.

At least 10 days before the beginning of the fiscal year, the appropriating body shall adopt the budget and shall finally enact the appropriation bill and such other bills as may be required to make the budget legally effective. The several amounts specified in the appropriation bill as finally enacted shall be and become appropriated in the amounts and for the several departments, offices, boards, and other spending agencies of the local government for the fiscal year to which the budget applies. The income of the local government as estimated in the budget and as provided for by the tax-levying ordinance and other revenue and borrowing acts or ordinances, shall be and become applicable in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation act or ordinance.

Within 10 days after final action has been taken on the budget bills by the appropriating body, it shall make public, by publication or otherwise, a summary statement which shall be in the form of the general budget summary provided for in section 5 of this act. Said statement shall show, in addition to the figures set forth in the general budget summary, the changes made by the appropriating body in the course of its review, revision and adoption of the budget. The appropriating body shall also make public, by publication or otherwise, at this time, the tax rate necessary or estimated to be necessary to finance the budget as adopted.

Section 9. Failure to make appropriations: amounts deemed appropriated. If at the termination of any fiscal year, the appropriations necessary for the support of the local government for the ensuing fiscal year shall not have been made, the several amounts appropriated in the last appropriation act or ordinance for the objects and purposes therein specified, so far as the same shall relate to the operation and maintenance expenses shall be deemed to be reappropriated for the several objects and purposes specified in said last appropriation ordinance; and until the appropriating body shall act in such behalf the treasurer or chief financial officer shall make the payments necessary for the support of the local government on the basis of the appropriations of the preceding fiscal year.

Section 14. Additional appropriations and temporary loans. The appropriating body may, during a fiscal year, make additional appropriations or increase existing appropriations to meet emergencies such as epidemics, floods, fires or other catastrophies, the funds therefor to be provided from unappropriated revenues, if any, or from temporary loans. Such temporary loans, when made, shall be approved by a two-thirds' vote of the legislative or appropriating body of the local government.

Such temporary loans shall be repaid at an annual rate equivalent to not less than two mills upon the assessed valuation of real property.

PART VII - BUDGET PROCEDURE IN OTHER CITIES

EXCERPTS FROM NEW YORK CITY CHARTER (ADOPTED 1936)

The following quoted sections or parts thereof deal with the annual "expense budget" for the fiscal year starting each July 1. Other sections not given deal with the annual "capital" budget for the year starting each January 1. The board of estimate and apportionment is a special agency of importance in New York City in addition to the Mayor and council. It consists of three officials elected on a city-wide basis, and the five borough presidents; these members have a voting strength of from 1 to 3 votes.

Fiscal year. Sec. 111. The fiscal year of the city shall commence on the first day of July in each year and shall terminate at midnight on the ensuing 30th day of June.

Departmental estimates. Sec. 114. On such date as the mayor may direct, but not later than the first day of February in each year, the head of each agency shall submit to the director of the budget an estimate of the requirements for current expenses of such agency for the ensuing fiscal year....

Statement of comptroller. Sec. 115. Not later than the 15th day of February in each year, the comptroller shall submit to the board of estimate and to the council a certified statement which shall be published forthwith in the City Record and which shall contain:

1. An itemized statement of the receipts of the general fund for each of the four preceding fiscal years, and for the first 7 months of the current fiscal year, and the estimated receipts of such fund for the balance of the current fiscal year, and for the ensuing fiscal year.

2. An itemized statement of all taxes due and uncollected at the close of the preceding fiscal year and also as of the first day of February of the current fiscal year.

3. An itemized statement of the condition of the tax deficiency account and a schedule of the appropriations for such account required by law.

4. An itemized statement of the condition of the street and park openings fund and the street improvement fund and a schedule of appropriations to such funds required by law.

5. A schedule of appropriations required for debt service, including appropriations to the several sinking funds required by law.

6. Such other information as may be required by the board of estimate or by law.

Statement of president of tax commission. Sec. 116. Not later than the first day of March in each year, the president of the tax commission shall submit to the board of estimate and to the council a tentative estimate of the assessed valuation of real property subject to taxation for the ensuing fiscal year, which shall be published forthwith in the City Record.

Items to be included in the budget. Sec. 117. There shall be included in the budget:

THE HISTORY OF THE

REIGN OF KING CHARLES THE FIRST

IN WHICH ARE CONTAINED THE
MOST IMPORTANT AND INTERESTING
CIRCUMSTANCES OF HIS REIGN
FROM HIS MARRIAGE TO HIS DEATH

BY
JOHN BURNET

IN TWO VOLUMES.
THE FIRST VOLUME.

LONDON:
Printed by J. Sturges, in Pall-mall.

1724.

THE SECOND VOLUME.

LONDON:
Printed by J. Sturges, in Pall-mall.

1724.

THE THIRD VOLUME.

LONDON:
Printed by J. Sturges, in Pall-mall.

1724.

1. The amounts required by law to be appropriated to the several sinking funds as certified by the comptroller.

2. The amounts required to pay the interest and principal of city obligations as certified by the comptroller.

3. The amounts required by law to be appropriated for the tax deficiency account as certified by the comptroller.

4. The amounts required by law to be appropriated to the street and park openings fund and the street improvement fund as certified by the comptroller.

5. The amounts as certified by the comptroller equal to the average of all expenditures during each of the five preceding fiscal years for each of the following purposes:

(a) The payment of claims, judgments, charges and expenses lawfully payable by the city for which no other appropriation is included in the budget;

(b) The payment of the expenses of the removal of snow and ice, exclusive of salaries and wages of regular employees of the city except for over-time work and for work on Sundays and holidays, and exclusive of the purchase of equipment;

(c) The payment of the expenses of the demolition of unsafe buildings and the repaving of streets....

6. Such other amounts as may be required by law.

7. Such amounts as shall be determined in the manner hereinafter provided to be necessary to pay the expenses of conducting the business of the city for the ensuing fiscal year, and for other lawful public purposes, without deduction of revenues from any source except as otherwise required by statute.

Preparation of executive budget. Sec. 118. Each member of the board of estimate and such member of the council as the council shall designate shall have the right to attend in person or by a representative any and all hearings conducted by the director of the budget or his representative at which the heads of agencies or their representatives or subordinates appear to explain their departmental estimates, to ask such questions and to require the production of such papers and records at such hearings as may seem to him appropriate and proper. The public may be present at such hearings but shall not have the right to be heard.

Executive budget; form. Sec. 119. The executive budget shall be in such form as to show clearly for purposes of comparison:

1. The appropriations for the preceding fiscal year by code items with supporting line schedules, with modifications thereof indicated and unencumbered balances shown.

2. The appropriations for the current fiscal year by code items with supporting line schedules, with modifications thereof to the 15th day of March indicated.

3. The appropriations requested by each agency for the ensuing fiscal year by code items with supporting line schedules.

4. The appropriations recommended for the ensuing fiscal year by code items with supporting line schedules.
5. The amount by which each recommended item in the supporting line schedules exceeds or is less than the corresponding item for the current fiscal year.
6. The several amounts which are payable from sources other than the tax levy.
7. The total of salary accruals for the current fiscal year and for the ensuing fiscal year, together with an estimate of the cost of regulated salary increments, other proposed salary increases and new positions.
8. Such other information as may be required by the board of estimate or by law.

Executive budget; submission. Sec. 121. Not later than the first day of April in each year, the mayor shall submit to the board of estimate and to the council the executive budget for the ensuing fiscal year, which shall be printed forthwith.

Executive budget; hearings. Sec. 122. Between the 7th and the 17th days of April in each year, the board of estimate shall hold public hearings on the executive budget. Officers of agencies shall have the right, and it shall be their duty when requested by the board, to appear and be heard.

The budget; adoption by board of estimate. Sec. 123. Except as otherwise provided by law, the board of estimate shall have the power to increase, decrease or omit any item in the executive budget or to add any items thereto. It shall adopt the budget not earlier than the seventeenth nor later than the 27th day of April in each year....Should the board of estimate fail within said period of time to adopt such budget, the budget as submitted by the mayor shall be deemed to have been adopted by the board.

The budget; adoption by council. Sec. 124. Not later than the first day of May in each year, the budget as adopted by the board of estimate shall be certified by the mayor and submitted to the council, and shall be published forthwith in the City Record. Immediately upon such submission a special meeting of the council shall be called by the president of the council to consider such budget. Should the council take no final action on such budget on or prior to the 21st day of May, the budget as adopted by the board of estimate shall be deemed to have been adopted by the council.

The council may reduce or omit any items in the budget as adopted by the board of estimate, except such amounts as may be fixed or prescribed by law or for the payment of state taxes or interest or principal on the city's debt, but it may not add or increase any item or vary the titles, description, terms or conditions of administration specified therein.

The budget; veto power of mayor. Sec. 125. Not later than the 22nd day of May in each year, the budget as adopted by the council shall be certified by the president of the council and submitted to the mayor. If the council shall have reduced or omitted any item in the budget as adopted by the board of estimate, the mayor may, on or before the first day of June, return such budget to the council, setting forth in writing his objections to such reductions or omissions or any of them, and such item or items shall thereupon be restored to the amount as included

in the budget as adopted by the board of estimate, unless, on or prior to the 10th day of June, three-fourths of all the councilmen shall, upon reconsideration, vote again to reduce or omit such item; and the budget shall be deemed finally adopted by the council as so restored or so amended, as the case may be.

The budget; certification; filing. Sec. 126. Not later than the 15th day of June in each year, the budget as finally adopted in such year shall be certified by the mayor, the comptroller and the city clerk as the budget for the ensuing fiscal year, and the several amounts therein specified as payable from the tax levy shall be and become appropriated to the several purposes therein named. The budget shall thereupon be filed in the office of the comptroller and shall be published forthwith in the City Record.

EXCERPTS FROM LOS ANGELES CHARTER (ADOPTED 1925-37)

Sec. 341. The fiscal year of the city shall begin on the first day of July of each year and shall end on the 30th day of June of the following year.

Sec. 343. At such time as the Mayor may prescribe, but not later than the first day of May of each year, each board or officer at the head of any department or branch of the city government other than those departments given control of their own funds, shall submit to the Mayor, with duplicates to the City Council.... a detailed estimate of the money required for the next ensuing fiscal year.... Any department head, whose estimate provides for increases over the appropriation of the previous year for his office or department, shall indicate, under appropriate classifications, the relative order of the immediate importance of such increases....

On or before the first day of May of each year the Controller shall submit to the Mayor, with a duplicate to the Council and to the director of the Bureau of Budget and Efficiency, a detailed statement of the money which he estimates will be required for the interest and sinking funds and for all outstanding bonded indebtedness and other lawful obligations of the city or of special districts therein; also an estimate of the revenue to be derived from fines, licenses and other sources, exclusive of taxes upon property.

Sec. 344. On or before the first day of June of each year the Mayor shall recommend and submit to the Council a budget for the next ensuing fiscal year. Such proposed budget shall set forth in summary and in detail (various specified estimates of past and present receipts, expenditures and appropriations).

Sec. 347. The Council shall immediately proceed to the consideration of the budget submitted by the Mayor and, by a vote of a majority of its members, may increase, decrease or omit any item or insert new items therein. Before adopting the budget the Council shall fix the time and place for holding a public hearing upon the proposed budget and shall give public notice of such hearing.

Sec. 348. On or before the 20th day of June the Council, by majority vote, shall, by resolution, adopt the budget as proposed by the Mayor or as modified by the Council.

Sec. 349....If the Mayor shall fail to act upon the budget within 5 days after its adoption by the Council, it shall be signed by the City Clerk and shall thereupon become effective. If the Mayor shall disapprove of any item or items increased, decreased, omitted or inserted by the Council, he may veto the whole budget or any item or items thereof, or may increase or decrease any item or items

thereof to the amount originally proposed by him, whereupon he shall return the budget to the Council with a statement of his action. Within 3 days thereafter the Council may overcome such action of the Mayor relative to the whole budget or any item or items thereof by a vote of two-thirds of all its members, whereupon the budget shall be signed by the City Clerk and shall become effective.

Sec. 350. Any item or items of the budget which shall have been vetoed, increased or decreased by the Mayor, and which shall not be readopted by a two-thirds vote of all the members of the Council, notwithstanding the objections of the Mayor, shall remain as modified by the Mayor, and the budget shall thereupon be signed by the City Clerk and become effective.

The several items of the budget shall be deemed appropriated for the ensuing fiscal year to the several purposes, departments and offices therein specified....

Sec. 353. In case the Council shall fail to adopt a budget on or before the 28th day of June, then the budget for the expenses of conducting the business of the city government, as submitted by the Mayor to the Council or as modified, shall be in effect....

DIGEST OF BUDGET CALENDARS OF OTHER CITY CHARTERS

Baltimore. Fiscal year begins January 1. Between September and October 1 departmental estimates are submitted. Before November 1 the Board of Estimates - composed of the Mayor, City Solicitor, Comptroller, President of the City Council and Chief Engineer of Dept. of Public Works, - shall propose a budget including current expenses, new improvements and fixed charges. The Council shall hold daily sessions until the budget is passed. (Adopted 1904)

Buffalo. Fiscal year commences July 1. Departmental estimates are required on or before February 1. The Mayor shall conduct hearings with department heads. The President of the Council and the Chairman of the finance committee shall attend these hearings with rights of inquiry. On or before March 15 the Mayor must submit his budget to the Council. The Council may strike out, reduce or add to any item. Reductions stand, but additions must be submitted to the Mayor by April 15 for his approval. Within 10 days the Mayor must return any vetoes. The Council by a 2/3 vote may override the veto. All action must be taken by May 1. (Adopted 1930)

Detroit. The fiscal year begins July 1. Departmental estimates must be submitted to the Controller by January 2. On February 1 the Controller transmits these estimates to the Mayor, who has until the second Tuesday in March to submit the budget to the Common Council. Public hearings must be held and the Council has until the second Tuesday in April to act. Within 2 weeks the Mayor must return the budget with his approval, disapproval, or any item vetoes. The Council may then act only upon the disapproved sections. (Adopted 1930)

Philadelphia. Fiscal year begins January 1. By October 15 the Mayor shall submit his budget with estimated receipts to the Council. The Council must pass the budget by December 15. (Adopted 1919) A proposed new charter which was considered this year by the Pennsylvania Legislature established the following budget calendar. On or before September 15, the city manager is to submit his budget to the Council. Before October 1 public sessions shall be held and by October 15 the budget shall be passed.

San Francisco. The fiscal year begins July 1. Not later than February 15 department heads must submit estimates to the Controller who checks the items and not later than March 15 submit these estimates to the Mayor in a consolidated budget form. The Mayor holds such public hearings on these budget estimates as he may deem necessary. Not later than May 1 the Mayor transmits his budget to the Board of Supervisors. Within 5 days the Board commences public hearings and passes the budget as submitted or reduced by June 1. The Mayor then has 10 days for veto considerations with final action being required by the Board of Supervisors not later than June 20. (Adopted 1935)

FISCAL YEARS OF LARGE AMERICAN CITIES

<u>Beginning Jan. 1</u>	<u>2nd Monday in April</u>	<u>July 1</u>
Chicago	St. Louis	New York
Philadelphia		Detroit
Cleveland		Los Angeles
Baltimore		San Francisco
Boston		Washington, D.C.
Pittsburgh		Buffalo
Milwaukee		



